GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:4762
ANSWERED ON:25.04.2008
ENFORCEMENT OF ELECTRICITY ACT .
Chaure Shri Bapu Hari;Chavda Shri Harisinh Pratapsinh;Dhotre Shri Sanjay Shamrao;Patel Shri Jivabhai Ambalal;Rana Shri Kashi Ram;Singh Deo Smt. Sangeeta Kumari;Thummar Shri Virjibhai

Will the Minister of POWER be pleased to state:

(a) the details of the guidelines issued by the Electricity Regulatory Authority under the Electricity Act 2003 during the last three years;

(b) the names and details of private power companies which have failed to comply with the said guidelines; and

(c) the action taken by the Government against such companies?

Answer

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE,MINISTRY OF COMMERCE & INDUSTRY AND MINISTER OF STATE IN THE MINISTRY OF POWER(SHRI JAIRAM RAMESH)

(a) to (c) : Electricity is a concurrent subject. The Electricity Act, 2003 delineates the powers of the Central Electricity Regulatory Commission (CERC) and the State Electricity Regulatory Commissions (SERCs) clearly.

The Electricity Regulatory Commissions including CERC are mandated to issue guidelines/regulations under the Electricity Act, 2003,National Electricity Policy and the Tariff Policy in the discharge of their functions.

CERC in terms of powers vested in it under section 178 of the Electricity Act, 2003 has during the past three years issued the following principal regulations to carry out the purposes of the Act:

(i) CERC (Fixation of Trading Margin) Regulations 2006

(ii) Indian Electricity Grid Code

(iii) CERC (Open Access in Inter-State Transmission) Regulation 2008

(iv) CERC (Sharing of Revenue derived from Utilization of Transmission Assets for other business) Regulations 2007.

CERC has also issued guidelines under the provisions of the Electricity Act, 2003 for setting up of Power Exchanges.

While CERC has initiated action against distribution licensees which are Government companies/and State Electricity Boards/Power Departments for violation of Grid Code, no case of violation has been reported in respect of private companies.However, on a few instances of non-compliance of CERC (Procedure,Terms & Conditions for grant of Trading License and other related matters) Regulations 2004,particularly submission of periodic information to the Commission, having been noticed,show cause notices were issued by the CERC to the traders.On receipt of their explanation,the Commission after due consideration has dropped the proceedings against them with suitable directions.The details of the private companies are at Annex-I.

Section 181 of the Act mandates the State Electricity Regulatory Commissions (SERCs) to frame regulations, by notification, consistent with the Electricity Act, 2003 and the rules generally to carry out the provisions of the Act.

As per information received from the SERCs, the Electricity Regulatory Commissions in the States of Karnataka, Chhattisgarh, Assam, Tamil Nadu, Uttar Pradesh, Punjab, Jharkhand, West Bengal, Maharashtra, Delhi, Bihar, Himachal Pradesh, Haryana, Orissa and Gujarat during the last three years have issued several regulations/guidelines. The regulations issued are on various matters such as State Electricity Supply Code, State Electricity Grid Code, Standards of Performance in Distribution of Electricity, Terms & Conditions for Open Access etc. The Gujarat State Electricity Regulatory Commission has notified guidelines on establishment of the Forum for redressal of grievances of consumers.

Section 142 of the Electricity Act, 2003 vests powers with the Regulatory Commissions that in the event there is contravention of the provisions of the Act or Rules or Regulations made thereunder, or any direction issued by the Commissions, the Commissions may impose penalty after following the due process of law.

According to the information sent by the State Electricity Regulatory Commissions (SERCs) mentioned above,violation of regulations by any private power company has not come to the notice of the SERCs except in the following cases:-

(i) In Orissa where the Orissa Electricity Regulatory Commission (OERC) had issued notice for revocation of licence of three distribution companies for non-compliance of licence conditions.The matter is sub-judice before the Supreme Court.The OERC had also revoked the license of another private distribution company CESCO, and at present, the Utility is managed by a Management Board established by the Commission.

(ii) The Delhi Electricity Regulatory Commission (DERC) has imposed penalties ranging from Rs.500/- to Rs.1,00,000/- in 32 cases, the details of which are at Annex-II.